

FY 2003 Salary, Statutory Changes, and Corrective Changes Bill House File 2623

Last Action:

House Floor

April 11, 2002

DRAFT

Executive Summary Only

An Act relating to the compensation and benefits for public officials and employees, regulatory and other properly related matters of the state, and making appropriations.



LEGISLATIVE FISCAL BUREAU

NOTES ON BILLS AND AMENDMENTS (NOBA)

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2623
FY 2003 SALARY, STATUTORY CHANGES, &
CORRECTIVE CHANGES BILL**

***SIGNIFICANT CHANGES MADE BY
THE HOUSE***

SALARY PROVISIONS

**GENERAL FUND APPROPRIATION
ADJUSTMENTS TO SF 2326 (FY
2003 OMNIBUS APPROPRIATIONS
BILL)**

**OTHER FUND AND REVENUE
TRANSFERS**

- Transfers \$11.1 million from the Underground Storage Tank Fund to the Department of Management Salary Adjustment Fund. This makes total funding for salary adjustment \$41.1 million when combined with the \$30.0 million from the Board of Regents demutualization proceeds.
- Increases the salary adjustment allocation to the Board of Regents from \$18.0 million to \$25.0 million.
- Increases the salary adjustment allocation to the Judicial Branch from \$3.0 to \$4.0 million.
- Makes the following General Fund adjustments to SF 2326 (FY 2003 Omnibus Appropriations Bill), if enacted:
 - Increases the appropriation to the Secretary of State by \$100,000.
 - Increases the appropriation to the Department of Education for the Student Achievement and Teacher Quality Program by \$8.4 million. Total funding for the Program will be \$40.0 million for FY 2003 when all funding sources are included, if this Bill and SF 2326 are enacted.
 - Increases the appropriation to community colleges by \$1.0 million.
 - Decreases the appropriations to the Board of Regents institutions by \$5.0 million.
 - Decreases the appropriation to the Department of Human Services (DHS) for Medical Assistance by \$3.7 million.
 - Decreases the standing appropriation to the Department of Education for the Educational Excellence Program by \$2.3 million. The appropriation is reduced by \$11.7 million in SF 2326 (FY 2003 Omnibus Appropriations Bill) for a total reduction of \$14.0 million. The total FY 2003 General Fund appropriation for the Program will be \$66.9 million.
 - Increases the appropriation to the DHS for the hawk-i Program by \$1.5 million.
- Transfers \$8.9 million from the Underground Storage Tank Fund to the Department of Education for the Student Achievement and Teacher Quality Program for FY 2003.
- Transfers \$10.0 million of insurance tax revenues to the Department of Education for the Student Achievement and Teacher Quality Program for FY 2003. This transfer is contingent on the enactment of SF 2318 (Insurance Tax Rate Reduction).
- Transfers \$5.0 million from the pari-mutuel wagering and gambling revenues credited to the Rebuild Iowa Infrastructure Fund to the Department of Education for the Student Achievement and Teacher Quality Program for FY 2003.

**EXECUTIVE SUMMARY
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**HOUSE FILE 2623
FY 2003 SALARY, STATUTORY CHANGES, &
CORRECTIVE CHANGES BILL**

**DEPARTMENT OF NATURAL
RESOURCES EXPENDITURES
FAMILY INVESTMENT PROGRAM
APPROPRIATION
CHANGES TO DEPARTMENT OF
HUMAN SERVICES (DHS)**

- Requires that \$1.3 million of the \$15.9 million General Fund appropriation to the Department of Natural Resources for FY 2003 be used for activities related to animal agriculture.
- Increases the Temporary Assistance to Needy Families (TANF) appropriation to the Department of Human Services (DHS) for the Family Investment Program by \$891,000.
- Permits the DHS to exceed the group foster care budget by 20.0% for FY 2002, if funding permits.
- Permits the DHS to use TANF funds for administration of pregnancy prevention programs and to fund 1.0 FTE position. This change is effective upon enactment.
- Allows certain dental services for adults to be covered by Medical Assistance. This change is effective upon enactment.
- Specifies that the General Fund appropriation to the Status of African-Americans Division of the Department of Human Rights is contingent on the appointment of an administrator for the Division and appointment of all nine members to the Commission on the Status of African-Americans.

**STATUS OF AFRICAN-AMERICANS
DIVISION APPROPRIATION
CONTINGENCY**

NOTE: The following summary applies to HF 2623 as passed by the House Appropriations Committee and SF 2331 as passed by the Senate Appropriations Committee. These bills were identical.

**SIGNIFICANT SALARY ACT
PROVISIONS**

- Transfers \$30.0 million from the Board of Regents demutualization proceeds to the Department of Management Salary Adjustment Fund. (Page 1, Line 3)
- Authorizes the Salary Adjustment Fund for FY 2003 to fund the negotiated bargaining agreements for contract-covered employees and noncontract employees. Provides a 3.0% across-the-board increase and merit step increases for noncontract employees of the State, excluding the Board of Regents, effective October 25, 2002. (Page 1, Line 15)
- Allocates \$18.0 million from the Salary Adjustment Fund to the Board of Regents for salary increases. (Page 4, Line 1)
- Allocates \$3.0 million to the Judicial Branch to fund a 3.0% increase for Justices, Judges, and magistrates starting December 20, 2002. (Page 4, Line 18)
- Appropriates Road Use Tax Fund (RUTF) and Primary Road Fund (PRF) moneys to pay salary increases for employees supported from these Funds. (Page 5, Line 24 and Page 5, Line 33)
- Requires the General Fund appropriation to the Salary Adjustment Fund to be used to pay salary increases supported by General Fund appropriations. (Page 6, Line 18)

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2623
FY 2003 SALARY, STATUTORY CHANGES, &
CORRECTIVE CHANGES BILL**

**SIGNIFICANT SALARY ACT
PROVISIONS, CONTINUED**

**SIGNIFICANT CHANGES TO THE
CODE OF IOWA**

INTENT LANGUAGE

- Specifies that sworn peace officers in the Department of Public Safety, not covered by a collective bargaining agreement, receive the same per diem meal allowance as covered sworn peace officers. (Page 6, Line 33)
- Funds the position of a salary model administrator-coordinator within the Department of Management. (Page 7, Line 6)
- Eliminates the requirement that the Departments of Management and Revenue and Finance certify that State General Fund savings will result from innovation projects prior to the Innovations Fund Committee approval of projects for loans. (Page 10, Line 2)
- Changes statutory language relating to the State Treasurer regarding the use of credit cards for payments to the State. Allows the State to pass the cost of using credit card receipts to the payer. (Page 10, Line 21)
- Requires the Legislative Service Bureau to solicit and process orders for all printed Codes, Session Laws, Administrative Codes and Bulletins, Court Rules, and the State Roster. (Page 12, Line 27)
- Permits persons that are conditional aliens, and were battered or subject to extreme cruelty, to be eligible for participation in the Family Investment Program. (Page 13, Line 23)
- Permits the Department of Human Services to use either the Balanced Budget Act of 1997 or the federal Ticket to Work Incentives Improvement Act for purposes of providing the Medicaid buy-in to persons with disabilities that have earned income. (Page 14, Line 29)
- Limits the amount of withholding tax credit funds that can be diverted from the General Fund to the Accelerated Career Education (ACE) Program to \$3.0 million for FY 2003. (Page 17, line 23)
- Specifies that costs related to summoning jurors be taken from the Jury Witness Fee Revolving Fund instead of directly from the General Fund. (Page 23, Line 17)
- Allows nonreversion of FY 2002 funds remaining for the Iowa Veterans Home. (Page 24, Line 16)
- Changes language in SF 2326 (FY 2003 Omnibus Appropriations Bill) related to the FY 2003 General Fund appropriation for mental health allowable growth. (Page 27, Line 12)
- Limits the costs for enforcement that can be billed to riverboats and racetracks. (Page 31, Line 5)
- Requires the Department of Cultural Affairs to conduct a study to identify an appropriate place in the State Capitol for a plaque and display honoring Iowa recipients of the Medal of Honor. (Page 24, Line 35)

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INTENT LANGUAGE, CONTINUED

- Requires the Departments of General Services, Personnel, and Information Technology to consult with affected departments in identifying duplicative positions or studying reorganizations within State government. (Page 25, Line 7)

**CORRECTIVE AND TECHNICAL
AMENDMENTS**

- Makes non-substantive corrective and technical amendments to various bills if enacted by the General Assembly during the 2002 Legislative Session and signed by the Governor. (Page 32, Line 17 through Page 42, Line 26)

EFFECTIVE DATES

- Specifies that nonreversion language relating to the Iowa Veterans Home is effective upon enactment. (Page 32, Line 11)
- Specifies that changes in this Bill relating to the State Military Code and the date for development of an expedited charter school application are effective upon enactment. (Page 42, Line 27)

CONTINGENT EFFECTIVE DATE

- Specifies that changes to banking statutory language in this Bill are contingent upon passage of HF 681 (Pledging of Collateral). (Page 42, Line 31)

**MENTAL HEALTH ALLOWABLE
GROWTH FOR FY 2004**

- Appropriates \$19.1 million from the General Fund to the Department of Human Services for mental health allowable growth for FY 2004. (Page 43, Line 2)

Summary Data

General Fund

H.F. 2623	Estimated Net	Rev. Gov Rec	House Action
	(1)	(2)	(3)
Administration and Regulation	\$ 0	\$ 0	\$ 100,000
Education	\$ 0	\$ 0	\$ 4,350,000
Human Services	\$ 0	\$ 0	\$ -2,200,000
Unassigned Standing	\$ 0	\$ 0	\$ -2,250,000
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Operations	\$ 0	\$ 0	\$ -4,900,000
Grants & Aid	\$ 0	\$ 0	\$ 7,150,000
Standing	\$ 0	\$ 0	\$ -2,250,000
Grand Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Administration and Regulation

General Fund

H.F. 2623	Estimated Net	Rev. Gov Rec	House Action
	(1)	(2)	(3)
<u>Secretary of State</u>			
Business Services			\$ 100,000
Operations	\$ 0	\$ 0	\$ 100,000
Grand Total	\$ 0	\$ 0	\$ 100,000

Education

General Fund

H.F. 2623	Estimated Net	Rev. Gov Rec	House Action
	(1)	(2)	(3)
<u>Education, Department of</u>			
Grants & State Aid			
Student Achievement			\$ 8,350,000
Community College			
MAS State Aid			1,000,000
Total Education, Department of	\$ 0	\$ 0	\$ 9,350,000
<u>Regents, Board of</u>			
Regents Reduction			\$ -5,000,000
Total Education	\$ 0	\$ 0	\$ 4,350,000
Operations	\$ 0	\$ 0	\$ -5,000,000
Grants & Aid	\$ 0	\$ 0	\$ 9,350,000
Grand Total	\$ 0	\$ 0	\$ 4,350,000

Human Services

General Fund

	Estimated Net	Rev. Gov Rec	House Action
H.F. 2623	(1)	(2)	(3)
<u>Human Services, Department of</u>			
Medical Services			
Medical Assistance			\$ -3,700,000
Child and Family Services			
Children's Health Care			1,500,000
Total Human Services, Department of	\$ 0	\$ 0	\$ -2,200,000
Total Human Services	\$ 0	\$ 0	\$ -2,200,000
Grants & Aid	\$ 0	\$ 0	\$ -2,200,000
Grand Total	\$ 0	\$ 0	\$ -2,200,000

Unassigned Standing

General Fund

H.F. 2623	Estimated Net	Rev. Gov Rec	House Action
	(1)	(2)	(3)
<u>Education, Department of</u>			
Education Excellence			\$ -2,250,000
Standing	\$ 0	\$ 0	\$ -2,250,000
Grand Total	\$ 0	\$ 0	\$ -2,250,000

Summary Data

Non General Fund

	Estimated Net	Rev. Gov Rec	House Action
	(1)	(2)	(3)
H.F. 2623			
Administration and Regulation	\$ 13,427,718	\$ 10,215,867	\$ 51,315,867
Education	\$ 0	\$ 0	\$ 23,900,000
Human Services	\$ 0	\$ 0	\$ 890,535
Grand Total	<u>\$ 13,427,718</u>	<u>\$ 10,215,867</u>	<u>\$ 76,106,402</u>
Operations	\$ 13,427,718	\$ 10,215,867	\$ 51,315,867
Grants & Aid	\$ 0	\$ 0	\$ 24,790,535
Grand Total	<u>\$ 13,427,718</u>	<u>\$ 10,215,867</u>	<u>\$ 76,106,402</u>

Administration and Regulation

Non General Fund

H.F. 2623	Estimated Net	Rev. Gov Rec	House Action
	(1)	(2)	(3)
<u>Management, Department of</u>			
Road Use Tax Salary Adjustment	\$ 3,122,527	\$ 1,588,368	\$ 1,588,368
Primary Road Salary Adjustment	10,305,191	8,627,499	8,627,499
UST Salary Adjustment			11,100,000
Demutualization Salary Adj.			30,000,000
Total Management, Department of	\$ 13,427,718	\$ 10,215,867	\$ 51,315,867
Total Administration and Regulation	\$ 13,427,718	\$ 10,215,867	\$ 51,315,867
Operations	\$ 13,427,718	\$ 10,215,867	\$ 51,315,867
Grand Total	\$ 13,427,718	\$ 10,215,867	\$ 51,315,867

Education

Non General Fund

H.F. 2623	Estimated Net	Rev. Gov Rec	House Action
	(1)	(2)	(3)
<u>Education, Department of</u>			
Student Ach-Premium Tax			\$ 10,000,000
Student Achievement-UST			8,900,000
Student Achievement-RIIF			5,000,000
Total Education, Department of	\$ 0	\$ 0	\$ 23,900,000
Total Education	\$ 0	\$ 0	\$ 23,900,000
Grants & Aid	\$ 0	\$ 0	\$ 23,900,000
Grand Total	\$ 0	\$ 0	\$ 23,900,000

Human Services

Non General Fund

H.F. 2623	Estimated Net	Rev. Gov Rec	House Action
	(1)	(2)	(3)
<u>Human Services, Department of</u>			
FIP-TANF Sal. Bill			\$ 890,535
Grants & Aid	\$ 0	\$ 0	\$ 890,535
Grand Total	\$ 0	\$ 0	\$ 890,535